



## Tax and Legal Newsletter

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### The CMU excludes the Republic of Austria from the List of Countries for transfer pricing purposes

The new regulation No.677-p of 1 July 2015 "On amendments to the Annex to the Regulation of the Cabinet of Ministers of Ukraine No.449-p of 14 May 2015" was adopted by the Cabinet of Ministers of Ukraine.

The Regulation No.677-p shall enter into force on 1 August 2015 and excludes the Republic of Austria from the List of Countries (Territories) which match the criteria specified by sub-para 39.2.1.2 of Art. 39 of the Tax Code of Ukraine.

The Cabinet of Ministers of Ukraine made this decision based on the Note Verbale dated 18 June 2015 received from the Embassy of the Republic of Austria in Ukraine with comments regarding the inclusion of the Republic of Austria to the List of Countries for the purposes of transfer pricing.

It is emphasized in the Note Verbale that legislation of the Republic of Austria regarding corporate tax rates in Austria and disclosure of the ownership structure of legal entities does not meet the criteria outlined in sub-para 39.2.1.2 of sub-para 39.2.1 of para 39.2 of Art. 39 of the Tax Code of Ukraine. Additionally, the Note states that Austrian government is ready to review the current Convention between the Government of Ukraine and the Government of the Republic of Austria on Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to taxes on income and property in terms of expanded exchange of tax information.

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We will continue monitoring developments and will inform you of further changes in tax legislation.

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